

APPENDIX A-11: SELLING ARRANGEMENT CODES

Selling Arrangement (SA) Codes are assigned based on the following code structure for a 10 character code.

<u>Character No.:</u>	<u>Description:</u>																		
1	This character indicates the region in which the SA applies: <table> <tr> <td>1</td><td>Cook Inlet</td></tr> <tr> <td>2</td><td>Alaska North Slope</td></tr> </table>	1	Cook Inlet	2	Alaska North Slope														
1	Cook Inlet																		
2	Alaska North Slope																		
2	This character indicates the general type of product to which the agreement applies: <table> <tr> <td>0</td><td>Both Oil and Gas</td></tr> <tr> <td>1</td><td>Oil</td></tr> <tr> <td>2</td><td>Gas</td></tr> </table>	0	Both Oil and Gas	1	Oil	2	Gas												
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1	Oil																		
2	Gas																		
3	This character indicates the type of Selling Arrangement as: <table> <tr> <td>1</td><td>Lease Agreement</td></tr> <tr> <td>2</td><td>Settlement Agreement</td></tr> <tr> <td>3</td><td>Contract</td></tr> <tr> <td>4</td><td>Posted</td></tr> <tr> <td>5</td><td>Audit</td></tr> <tr> <td>6</td><td>Exchange Agreement</td></tr> <tr> <td>7</td><td>Unit Agreement</td></tr> <tr> <td>8</td><td>Operating Agreement</td></tr> <tr> <td>9</td><td>Statute</td></tr> </table>	1	Lease Agreement	2	Settlement Agreement	3	Contract	4	Posted	5	Audit	6	Exchange Agreement	7	Unit Agreement	8	Operating Agreement	9	Statute
1	Lease Agreement																		
2	Settlement Agreement																		
3	Contract																		
4	Posted																		
5	Audit																		
6	Exchange Agreement																		
7	Unit Agreement																		
8	Operating Agreement																		
9	Statute																		
4, 5, & 6	These characters are sequential numbers beginning with '001' each subsequent number assigned to selling arrangements as they go into effect.																		
7	This character is an alpha character to indicate the original agreement as "A" with subsequent agreements ("B, C, D, etc") that fall under the original agreement.																		
8 & 9	These characters are sequential numbers for amendments to the selling arrangement identified by the overall number.																		
10	Used to identify a version of the original agreement identified by the Selling Arrangement, but is not strictly an amendment to the original agreement.																		

CODE ASSIGNMENT PROCEDURE:

1. Use Oracle Discoverer to call up and review the Selling Arrangement list. Make sure that no sorting protocols are applied.
2. Then sort the list by Selling Arrangement Code in ascending order.
3. Determine the following information about the new Selling Arrangement to be assigned a code.
 - a. Is the new arrangement part of an existing arrangement? If the new arrangement is part of an existing agreement for which a Selling Arrangement Code has already been assigned, go to step 7 below. If this is a brand new agreement continue here.
 - b. Obtain the name of the companies, buyer and seller, participating in the agreement.
 - c. Determine the Region of Alaska that the contract applies.
 - d. Determine which Accounting Units (by Accounting Unit Code) the agreement applies.
 - e. Determine the start date of the agreement. The start date is usually the signature date unless a date is specified in the agreement as the effective date. When an effective date is specified in the agreement use that as the start date of the Selling Arrangement Code.
 - f. Determine the ending date of the agreement. If the agreement does not specify an actual date, but rather states "until terminated by both parties", leave the ending date blank until such time as a termination date is known.
 - g. Determine the type of agreement it is according to the list above.
 - h. Determine what general types of products (oil, gas, both) the agreement covers.
 - i. Determine if there are any special circumstances or facts that should be included in the 'Notes' field for that agreement.
4. Using the region-product type-agreement type digit combination defined by the information gathered in step 3, review the Selling Arrangement List for the last Code assigned to that combination. Assign the next sequential number (for digits 4, 5, 6) to the prefix numbers.
5. Since this is a new agreement and thus is an original starting agreement, assign the alpha code 'A'.
6. Further, this being an original agreement, assign the last three digits as '000'. See Example 1 below.

7. If the agreement to be assigned a Selling Arrangement Code is part of an existing agreement determine the relationship to the existing agreement.
 - a. If the agreement is an amendment to an existing agreement with an assigned code determine the Selling Arrangement Code for the existing agreement. If the agreement is the first amendment to the original agreement, increment the 8th and 9th digits up by one. See Example 2. below.
 - b. If the agreement is an agreement that comes under an existing agreement, but stands on its own for specific activities that it covers, use the same first seven digits as the base agreement and increment the 8th alpha digit up by one, i.e. A, B, C, D, etc. When reviewing the master list of codes determine the last alpha code used and use the next code in alphabetic order. See Example 3. below.

EXAMPLES:

1. Typical original code assignment: 2 1 2 0 1 1 A 0 0 0
 - 2 Alaska 'North Slope' region.
 - 1 'Oil' product arrangement.
 - 2 'Settlement' type of agreement
 - 011 Sequence number 'Zero One One' for arrangements beginning with a '212' combination.
 - A An 'A' alpha code designates this as an original final signed version of the agreement, i.e. prior to any subsequent amendments.
 - 000 Identifies that this is the original final signed agreement and thus no amendments or versions precede it.
2. Typical amendment code assignment: 2 1 2 0 1 1 A 0 1 0
 - 2 Alaska 'North Slope' region.
 - 2 'Oil' product arrangement.
 - 2 'Settlement' type of agreement
 - 011 Sequence number 'Zero One One' for arrangements beginning with a '212' combination.
 - A An 'A' alpha code designates this as an original final signed version of the agreement, i.e. prior to any subsequent amendments.
 - 010 Identifies that this is the first amendment to the original final signed agreement and thus no amendments or versions precede it.

3. Typical number assignment: 2 1 2 0 1 1 B 0 0 0

2 Alaska 'North Slope' region.

3 'Oil' product arrangement.

2 'Settlement' type of agreement

011 Sequence number 'Zero One One' for arrangements beginning with a '212' combination.

B An 'B' alpha code designates this as an agreement that comes under the original final signed version of the agreement, but stands on its own for disposition and valuation of the products sold or transferred under the agreement.

000 Identifies that this is the original final signed agreement of the 'B' agreement which comes under the '212011' base agreement, and that it has no amendments or versions preceding it.

NOTES:

There is one exception to this numbering structure due to a mislabeling during the initial application of Selling Arrangement codes. The exception to the described structure is the number for the "ALASKA Lease Agreement North Slope Oil" the number is **'201000000'** not **'211000000'**.

During the initial startup of the system not all lessees had completed a review of their Selling Arrangement listing. Consequently, not all the correct Selling Arrangement codes were identified and/or assigned to lessees' volumes reported on the Valuation Report. Subsequent to signing an Electronic Commerce Agreement, lessees' historical information, which may have been assigned a generic code pending a review of their selling arrangements, had a generic code assign to their historical volumes. Once the correct codes were identified, corrections to historical data that may have been assigned a generic code were made.

In some cases the early assignment of codes did not correctly follow the protocol described above, thus their numbers may not indicate nor accurately reflect the categorization provided by the structure above. These cases are few, but they do exist. Rather than create more accurate numbers, the original assigned code was used to avoid further confusion and additional changes to lessee code lists and data already loaded to the database.

The first six digits denote the basic number assigned to a signed document agreement. The next digit indicates the original (A), or subsequent (B, C, D, etc.) agreements made that come under the original agreement but describe more specific valuations by a lessee or lessees. The next two digits usually indicate an amendment to the agreement identified by the first seven digits. The last digit is used to indicate a version of an agreement identified by the first 9 digits.